TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 462 - SB 1340

March 20, 2021

SUMMARY OF BILL: Prohibits high school graduation rates for the 2021-22 through the 2024-25 school years from being used to assign a letter grade to a school, unless the use results in a higher grade for the school, identify the school as a priority school, assign a school to the achievement school district, or as a metric for accountability. Requires the Department of Education (DOE) to seek a waiver from the United States Department of Education (U.S. DOE) or seek to amend Tennessee's Every Student Succeeds Act (ESSA) plan as necessary.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - A violation or failure to comply with federal regulations may jeopardize federal funding for education under Title I in excess of $1,292,000,000.

Assumptions:

- The legislation prohibits the use of high school graduation rates for the 2021-22 through the 2024-25 school years from being used as a metric included in local education agency or school accountability.
- School accountability is a basic program requirement listed in the U.S. DOE's Title I program and is a component of the state's approved school accountability model within the state's ESSA plan.
- The state's annual Title I allocation for each of school years 2021-22 through 2024-25 is approximately $323,000,000, for a total of $1,292,000,000 ($323,000,000 x 4).
- The omission of high school graduation rates as an accountability metric may not comply with Title I program requirements or the accountability model in the state's ESSA plan; this may require DOE to seek a waiver from U.S. DOE or to amend the ESSA plan to avoid a potential loss in federal funding.
- It is assumed that the proposed legislation will become effective regardless of whether such a waiver is received as the language of this legislation does not contain a clause to prohibit such enactment. If the proposed language is found to violate federal regulations and the state is unable to secure a waiver or amend the ESSA plan, a decrease in federal funding in excess of $1,292,000,000 in fiscal years 2021-22 through 2024-25 may result.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista Lee Carsner

Krista Lee Carsner, Executive Director

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